## Message Text

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**ACTION EB-07** 

INFO OCT-01 EA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

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R 161018Z APR 75 FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2311

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E.O. 11652: NA TAGS:EAIR, RP SUBJECT: CIVAIR -- PHIL CAB REPLY TO USCAB LETTER

REF: (A) MANILA 4589 (B) STATE 070925

1. EMBASSY TODAY RECEIVED COPY OF PHILIPPINE CAB CHAIRMAN ASPIRAS' REPLY TO ACTING USCAB CAHIRMAN O'MELIA LETTER. ORIGINAL MAILED APRIL 15. TEXT OF LETTER AS FOLLOWS: QUOTE IN ACCORDANCE WITH OUR COMMITMENTS UNDER THE INTERIM AGREEMENT OF AUGUST 10, 1974, THE BOARD WITHOUT DELAY APPROVED THE APPLICATIONS OF PAN AMERICAN WORLD AIRWAYS AND NORTHWEST ORIENT AIRLINES TO INCREASE THEIR B-747 SERVICES ON THE EXISTING AUTHORIZED ROUTES TO FOUR TIMES A WEEK EACH, SUBJECT TO THE CONDITION THAT PHILIPPINES AIRLINES' FULL RIGHTS UNDER THE INTERIM AGREEMENT SHALL CONTINUE TO BE HONORED BY THE UNITED STATES GOVERNMENT. THE BOARD LIKEWISE APPROVED THE CONTINUATION OF FLYING TIGER'S EXISTING COMMERCIAL ALL-CARGO OPERATIONS AND WILL CONTINUE TO DO SO FOR AS LONG AS THE INTERIM AGREEMTN EXISTS.

WE WISH, HOWEVER, TOMAKE A RESERVATION AT THIS TIME
TO YOUR STATEMENT THAT OUR "REFUSAL... TO RESTORE (PAN
AMERICAN'S) ALL CARGO-OPERATIONS CAN ONLY BE CONSTRUED AS A
BREACH OF THE INTERGOVERNMENTAL UNDERSTANDING." WE HAVE
REVIEWED THIS MATTER THOROUGHLY IN CAB CASE NO. EP-2984
AND THERE CAN BE NO OTHER CONCLUSION BUT THAT THE TEMPORARY
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PERMITS GRANTED BY THE BOARD TO PAN AMERICAN WERE FOR THE

OPERATION OF "MILITARY ALL-CARGO FLIGHTS" ONLY AND, WHAT IS MORE, PAN AMERICAN ITSELF SO CHARACTERIZED THOSE FLIGHTS TO BE. IT WAS ONLY IN ANSWER TO PAL'S VERIFIED COMPLAINT IN CAB CASE NO. SR-04 (74)THAT PAN AMERICAN DISCLOSED FOR THE FIRST TIME TO THE BAORD THAT SUCH ALL-CARGO FLIGHTS HAD BEEN OPERATED AS "COMMERCIAL"ALL-CARGO FLIGHTS. ACCORDINGLY, THE BOARD CAN NOT ALLOW THE CONTINUED OPERATION OF SUCH MILITARY ALL-CARGO FLIGHTS AFTER PAN AMERICAN ITSLEF ADMITTED THAT THEY HAVE BEEN OPERATED AS "COMMERCIAL"ALL-CARGO FLIGHTS IN VIOLATION OF THE TEMPORARY PERMITS GRANTED BY THE BOARD. IF PAN AMERICAN WERE NOT CONVINCED OF THE CORRECTNESS OF THE BOARD'S DECISION IN CAB CASE NO. EP-2984, IT SHOULD HAVE AVAILED OF THE REMEDY OF APPEAR IN ACCORDANCE WITHLAW.

AT THIS JUNCTURE, WE SHOULD ALSO LIKE TO REITERATE THAT PAN AMERICAN'S MILITARY ALL-CARGO FLIGHTS WERE NOT EVEN DISCUSSED AND DO NOT FORM PART OF THE AUGUST 10, 1974 INTERIM AGREEMENT.

WE UNDERSTAND THAT PAN AMERICAN HAS NO PRESENT INTENTION OF INTRODUCING COMMERCIAL ALL-CARGO FLIGHTS TO MANILA AT THIS TIME AND BECAUSE OF THIS IT POSES ON IMMEDIATE PROBLEM. IN THIS CONNECTION, IT IS OUR POSITION THAT THE CONTINGENT OPERATION BY PAN AMERICAN OF COMMERCIAL ALL-CARGO FLIGHTS BETWEEN THE U.S. AND MANILA MAY BE THE SUBJECT OF FUTURE NEGOTIATIONS BETWEEN OUR TWO GOVERMMNTS IF AND WHEN PAN AMERICAN DESIRES TO INAUGURATE SUCH SERVICES. UNQUOTE

2. COMMENT: LETTER TAKES A LINE WHICH, AS EMBASSY PREDICTED, IS PURE AND VINTAGE PAL, AND IT DOES SO A WEEK AFTER PAL AND PAN AM HAVE INAUGURATED THEIR NEW SCHEDULES. IT IS UNFORTUNATE THAT WE NOW HAVE A WRITTEN RECORD OF OUR MOST EXTREME FILIPINO POSITION ON THIS ISSUE. EMBASSY WILL CONTINUE, HOWEVER, TO TAKE POSITION WITH THE FILIPINOS AND WITH CARRIERS THAT THE OFFICIAL U.S.GOVERNMENT INTERPRETATION OF THE AUGUST 10, 1974 AGREEMENT IS AS CONTAINED IN THE EMBASSYS NOTE OF MARCH 31, 1975 AND IN PRECEDING NOTES TO DFA. SULLIVAN

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## Message Attributes

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**Current Classification: UNCLASSIFIED** 

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